

## **MYTHS OF THE MARKETPLACE**

Any kind of long-standing myth dies hard. Here are some the National Association of Attorneys General has assembled.

### **MYTH:**

You have a three-day right to cancel any purchase.

### **FACT:**

The three-day right to cancel exists only for some consumer transactions. In general, it applies to credit or cash transactions of \$50 or more that were initiated through face-to-face contact away from the seller's regular place of business. In North Dakota, a person 65 years of age or older has 15 business days in which to cancel a home solicitation sale. The right to cancel does not apply to vehicle purchases made at a dealership.

### **MYTH:**

A store must give you a refund if you want one.

### **FACT:**

North Dakota and most other states do not have laws that specifically regulate refund or return policies. Each business sets its own return policy. It may give cash, credit, exchanges or no adjustments at all. Know the policy before you make the purchase, especially if you are buying an expensive or potentially troublesome item. The consumer has legal grounds for action on return items only if the goods were misrepresented.

### **MYTH:**

If you receive an "awards notification" you are a guaranteed winner of a fabulous prize.

### **FACT:**

Phone prize offers are common vehicles for scams. Although it is tempting to believe you have actually won something, be careful. Usually, such "deals" end up costing you money in many clever ways. It is not much of a prize when you must buy something, make a donation or send a bogus tax or processing fee payment in advance to claim the "prize."

### **MYTH:**

A lemon law protects you on all big-ticket items you might purchase, including cars not under warranty.

### **FACT:**

North Dakota, as in most states, has a lemon law that covers the purchase of new cars. North Dakota has no lemon law that applies to used cars or any other big ticket items. You must do your homework before you pay the money; research the reliability of a product or used car before you buy. Have a mechanic check any used vehicle before you purchase.

### **MYTH:**

When solicited by a charity, almost all of the money you contributed must go to the intended charitable purpose.

### **FACT:**

Charities are not obligated to spend a certain percentage on their stated charitable purposes. Charities that hire professional fund-raisers will have higher overhead costs and consequently may spend less on the actual cause. Professional fund-raisers often stage concerts or other events on behalf of charities. By buying a ticket you are paying the fund-raiser and making a donation to the sponsoring charity. You should ask if the caller is a paid solicitor or a volunteer for the charity. Also ask what percentage of the donation will actually go to the charity. Even if you do not buy any tickets and just make a donation, a professional fund-raiser will keep a percentage of the money you donate. It is best to give directly to the charity if you are concerned about the "cut" the fund-raiser is getting.

**MYTH:**

Giving out your credit card number for identification is okay as long as you do not authorize a charge on your account.

**FACT:**

Using your credit card for identification can cost you a great deal. Con artists who get your credit card number and expiration date might make unauthorized charges. It is fine, however, to use credit cards to make catalog orders, hotel reservations, and other purchases from reputable companies with which you are familiar. In fact, buying by credit card can give you valuable rights under federal law if you have trouble getting the product or service.

**MYTH:**

You have a better chance of winning a publisher sweepstakes when you purchase magazines.

**FACT:**

It is illegal for sweepstakes promotions to require you to buy or pay anything. Anyone not purchasing magazines must be given the same chance of winning publisher sweepstakes as those who do buy magazines.

**MYTH:**

People cannot take money directly from your bank accounts without your written authorization.

**FACT:**

Con artists can steal directly from your checking account too. Someone can issue a "demand draft" to your bank, claiming you authorized the withdrawal, and the bank may pay it even though it does not contain your signature. You probably will not find out someone made a withdrawal until you receive your next statement. To prevent this, keep your checking account number private unless absolutely necessary.

**MYTH:**

Your credit report is private unless you authorized someone to review it.

**FACT:**

Anyone may look up your credit report. That includes potential employers, landlords, insurers, and others.

**MYTH:**

Advertisements you see or hear through radio, TV, newspapers and magazines are accurate or they would not be in the reputable media.

**FACT:**

No government agency reviews advertisement in advance. Usually only severe, widespread fraud in advertisements is ultimately prosecuted. The media running the ads virtually never investigate the truth of the advertisements and generally are not legally required to do so. The burden rests with you to determine if an advertisement is truthful or not. Get more information about a product's reputation from magazines such as Consumer Report or by contacting the Consumer Protection Division or the Better Business Bureau serving the area.